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UNCLAS SECTION 01 OF 02 LILONGWE 000509

SIPDIS

SENSITIVE

STATE FOR AF/S GALANEK
STATE PASS TO USAID/GH MILLER
HHS FOR WSTEIGER
STATE FOR S/GAC PEARSON

E.O. 12958: N/A

TAGS: [EAID](#) [KHIV](#) [SOCI](#) [TBIO](#) [MI](#) [HIV](#) [AIDS](#)

SUBJECT: MALAWI: POST RECOMMENDATIONS ON GLOBAL FUND PHASE 2 RENEWALS

REF: SECSTATE 103678

1. (U) Malawi

2. (U) Grant No: MLW-102-G01-H-00

Phase 1 amount: \$41,751,500.00

Phase 2 amount requested in proposal: \$155 million

3. (SBU) Overall Comments/Recommendations: Post recommends funding Malawi's Phase II, HIV/AIDS proposal at the levels requested. However, approval of Phase II should be accompanied by more attentive and probing monitoring on the part of GFATM staff. Field visits should extend beyond a day or two and include solicitation of feedback from a wider representation of stakeholders. PR must be held accountable for performance against all aspects of the grant, not just treatment.

4. (SBU) Grant Performance: The performance of the grant has been mixed. While achievements in ARV treatment are exceeding expectations and HIV testing proceeding apace, performance in the areas of Prevention of Mother to Child Transmission (PMTCT) and Home Based Care (HBC) are foundering. There are no measurable service achievements in these last two categories. The ARV achievements are due to national political support and pressure, MOH and NAC management attention, and the provision of critical technical assistance particularly from the USG. The Public sector funding is hindered by weak proposal and budget development capacity and lack of urgency outside of expansion of access to ARVs.

5. (U) Technical Considerations: The proposal is technically sound. However, the monitoring plan includes critical, some would say doubtful, assumptions related to management commitment to release staff to tend to monitoring duties and/or contracting out this function.

6. (SBU) Degree of Coordination: To date the Country Coordinating Mechanism (CCM) has been reactive to issues brought to its attention rather than providing proactive oversight and attending to accountability. Its irregular meetings are typically scheduled to facilitate GFATM deliverables. CCM members are not active, as CCM members, outside of these meetings. Other than pressure to meet treatment goals and ensure provision of funds to the public sector, CCM has not held PR accountable to performance.

7. (SBU) CCM processes lack transparency and accountability to stakeholders who are not members. Stakeholders external to the CCM have been told that meetings are minuted but that minutes are not publicly available. Therefore, documentation of process or outcome cannot be verified. Those that wish to observe CCM proceedings are instructed to formally request to do so. Invitations would then be issued at the pleasure of the Chair. Verbal requests on the part of USAID, on two occasions, did not result in an invitation. General interest is not considered a sufficient reason for participation. It should be noted, however, that this policy does not seem to have been universally applied particularly to the UN and government.

8. (SBU) The President selected representatives to the CCM. Although these individuals represented a perspective (e.g. a person living with AIDS) they were not held accountable to a constituency body either to raise particular issues/concerns or to debrief after CCM meetings. The Government holds the largest number of seats. Seats vacated due to death or resignations have not been filled. Meetings were not publicly announced making requesting an invitation difficult. In addition, meetings were frequently called at the last minute creating a crisis in decision making, basically extracting desired outcomes because time constraints prohibited the exploration of alternative measures. Materials were frequently provided to CCM members on very short notice, making thorough review extremely doubtful.

9. (SBU) The CCM self-assessment was seen by many as generous and not a good faith effort at elucidating challenges and gaps in performance. It has, and continues, to be, chaired by the Principal Secretary of Health. At times this has resulted in muted responses on the part of the CCM regarding performance of the MOH as a sub-recipient. In general, the role of the CCM versus the National AIDS Commission (NAC) is somewhat murky, leading to disagreements over authority. A Trust Deed has been drafted which clarifies these matters. It is to be presented to Parliament during the current sitting.

10. (U) Recent events, however, raise the possibility of significant improvements in CCM performance. In response to GFATM guidance, the NAC has convened several constituency groups who have selected their own representative to the CCM. These representatives are called on to solicit and raise concerns as well as convene their constituencies for consultation and briefing. NAC is providing funding for this process. USAID fills a new seat that was created for discrete donors. Although the Principal Secretary of Health is still the chair, it is recognized that a conflict-of-interest process must be developed. It should also be noted that there is a new PS for Health who seems more constructive in his management of the CCM. We understand that CCM minutes will now become public documents. These new structures and processes are very new (within the week), thus we are unable to assess their impact. Coordination of the donor sector vis--vis GFATM roll-out and the wider response has been driven by donors themselves rather than under the guidance or leadership of CCM, NAC or other elements of government.

11. (SBU) Political or other considerations: Attitudes towards the non-governmental and private sector have been mixed. It is generally felt that indigenous CBOs/FBOs have a significant role to play, particularly in home-based care and support to orphans and vulnerable children, and have received funding. Faith-based health facilities have been significantly engaged, and funded, for treatment roll-out. However, private sector is often referenced as a source of additional resources rather than a potential recipient of funding for implementation of activities. There are regular references to international NGOs as competitors for the government's money. Policy decisions related to allowable expenses have proved explicit barriers to international NGO access of GFATM resources. Due to political pressures it is difficult for funding recipients to acknowledge, and therefore effectively address, weaknesses and gaps in government capacity for implementation. Also, the NGO sector, particularly international NGOs with experience and presence in country, is being underutilized. Finally, the "public-/private" partnership is not well understood or valued at the senior policy level.

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